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November 20, 2012

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**VIA HAND DELIVERY**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, DC 20554

**FILED/ACCEPTED**

**NOV 20 2012**

Federal Communications Commission  
Office of the Secretary

**Re: WCC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, GN DOCKET NO. 09-51, CC  
DOCKET NOS. 01-92, 96-45, WT DOCKET NO. 10-208  
Adak Eagle Enterprises, LLC Notice of Ex Parte**

Dear Ms. Dortch:

On behalf of Adak Eagle Enterprises, LLC ("AEE") and in accordance with the Third Protective Order adopted in the above referenced proceedings, please find enclosed an original and one copy of AEE's Public version of its Notice of Ex Parte filed in the aforementioned dockets. The [[ ]] symbols denote Confidential Information. A Confidential version is also being filed separately with the Secretary's Office. Additionally, a Confidential version is also being filed with the Wireline Competition Bureau.

Should you have any questions concerning the foregoing request, please contact the undersigned.

Sincerely,



Monica S. Desai  
Patton Boggs, LLP  
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Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

Re: **Ex Parte Notice and Submission of Supplemental Information**  
**WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-**  
**45, GN Docket No. 09-51, WT Docket No. 10-208.**  
**Petitions for Waiver – Adak Eagle Enterprises and Windy City Cellular**

Dear Ms. Dortch:

This letter is being filed as a second response to questions asked by Commission staff in the Wireline Competition Bureau (“WCB”) and the Wireless Telecommunications Bureau (“WTB”) seeking additional information related to the Petitions for Waiver filed by Adak Eagle Enterprises, LLC (“AEE”) and Windy City Cellular, LLC (“WCC”).<sup>1</sup> This information was requested during a conference call on November 14, 2012.<sup>2</sup>

AEE and WCC provided responses to the following questions on November 15<sup>th</sup>:

- (1) AEE ending cash balances on a consolidated basis for July, August, September and October;

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<sup>1</sup> See Petition for Waiver of Adak Eagle Enterprises, LLC, WC Docket No. 10-90, *et al.*, filed May 22, 2012; Petition for Waiver of Windy City Cellular, LLC, WC Docket No. 10-90, *et al.*, filed April 3, 2012.

<sup>2</sup> Andilea Weaver, Chief Operations Officer for WCC and AEE, Monica Desai and Jennifer Richter of Patton Boggs, LLP, their counsel, participated in the call, along with the following FCC staff participated in the call: Rebekah Goodheart (Associate Chief, WCB); Joseph Cavender (Assistant Chief, Telecommunications Access Policy Division, WCB); Joseph Sorresso (Telecommunications Analyst, Telecommunications Access Policy Division, WCB); Gary Seigel (Public Utilities Specialist, Telecommunications Access Policy Division, WCB); Christopher Cook (Attorney-Advisor, Telecommunications Access Policy Division, WCB); and Margaret Wiener (Chief, Auctions and Spectrum Access Division, WTB).

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- (2) Annualized financial impact of AEE's elimination of six full-time positions (roughly half their workforce) due to the reduction in funding caused by the FCC's ICC/USF Transformation Order; and
- (3) Summary of discussions with RUS and status of loan.<sup>3</sup>

In addition, staff requested comprehensive information regarding what expenses and services have been cut as a result of the funding cuts, and an explanation of the associated financial impact of those reductions in service and other reductions in other expenses, and whether AEE/WCC anticipate such cutbacks to be permanent or temporary. That information is provided as Attachment 1 to this letter, and is summarized as follows:

In the interest of reducing operating costs to the greatest extent possible, AEE has already made approximately [REDACTED] in annual expense cuts that will be made permanent going forward. For example, AEE has eliminated approximately [REDACTED] in annual expenses by reassigning computer-related duties previously handled by the Lead Combination Technician, a position which is currently laid off, to the company's existing IT staff. AEE also has cut approximately [REDACTED] in expenses by eliminating the position of Customer Service Representative and reassigning all customer service duties to a single employee. Similarly, AEE has cut approximately [REDACTED] in expenses by eliminating the position of Accounting Clerk and reassigning that position's responsibilities to AEE's COO and other existing staff. Finally, AEE has permanently cut approximately [REDACTED] in training expenses by eliminating the position of Human Resources Director and also reassigning that position's duties to the COO.

WCC and Windy City Broadband ("WCB") also have succeeded in reducing operating costs by making permanent expense cuts totaling approximately [REDACTED] per year. For example, WCC has cut approximately [REDACTED] in expenses by disconnecting redundant backhaul for its wireless service. WCC believes this expense will be unnecessary if WCC is able to use a single redundant backhaul for both wireless and broadband services. Because AEE and WCB share employees, WCB will also realize savings on a permanent basis of approximately [REDACTED] as a result of AEE eliminating a Customer Service Representative position. Similarly, WCB will realize savings on a permanent basis of approximately [REDACTED] as a result of AEE eliminating the position of Accounting Clerk.

Although AEE and WCC have succeeded in reducing operating costs by eliminating certain expenses permanently, the companies also have been forced to make other cuts in expenses and services that are essential to the companies' operations and which they hope to restore in order to maintain efficient, quality service. AEE has been forced to make approximately [REDACTED] in such temporary cuts while WCC and WCB have been forced to make approximately [REDACTED]

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<sup>3</sup> See Letter from Monica S. Desai, Counsel, Adak Eagle Enterprises, LLC and Windy City Cellular, LLC, to Marlene H. Dortch, Secretary, Federal Communications Commission, Notice of Ex Parte and Submission of Supplemental Information, WC Docket No. 10-90, *et al.*, dated November 15, 2012.



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in such cuts over the last year. For example, AEE was forced to lay off its Facilities Maintenance Technician, a position that performs maintenance duties that are critical for AEE's and WCC's operations. AEE and WCC also have been forced to operate with only one technician on Adak Island because it has had insufficient funding to rehire a Lead Combination Technician, a position that is essential to the company's operations. Because AEE's technician is currently the only technician on Adak Island, AEE's CEO has also been forced to perform duties on the island normally performed by technicians. In addition to their responsibilities to AEE and WCC, AEE's technicians have typically received requests from other companies needing maintenance or repair work on the island several times each winter. AEE also has been unable to rehire its Front Desk Receptionist / Administrative Assistant, another position that is essential for supporting AEE's and WCC's daily business operations. As a result, AEE's COO has been forced to absorb many of this position's responsibilities.

WCC also canceled construction of its Clam Lagoon cell site, which was planned for the purpose of providing network redundancy and preventing service interruptions that would otherwise occur if another cell site experiences operational problems, a result that often occurs because of the severe weather on Adak Island. The Clam Lagoon site would also offer expanded service on the island. WCC had already undergone six months of planning but was forced to cancel construction as a result of the funding cuts. WCC would like to be able to continue construction on the site in order to provide better service to the island, but will only be able to do so if the Commission restores sufficient funding.

WCC also has been forced to make additional cuts to expenses and services that are essential to its wireless service. For example, there is no longer any backhaul redundancy, which leaves all WCC customers without service when outages occur due to the frequent, extremely challenging weather conditions in Adak. Indeed, the lack of redundant cellular backhaul has already resulted in several total service outages due to severe weather. Similarly, the lack of redundant broadband backhaul has resulted in several outages during which all Internet service was lost. It is critical that sufficient funding be provided for this redundancy to be restored. Additionally, WCC does not have the funds for critical software needed to track and bill broadband overage data from its customers. WCC would need approximately [REDACTED] for this software. WCC also has been forced to postpone plans to upgrade to 3G (LTE) service until the process for obtaining Mobility Fund Phase II funding is determined by the Commission.

Finally, AEE and WCC also have been forced to reduce expenses by placing on hold two projects that would provide greater efficiency and savings in the long-run. As detailed in Attachment 1, the companies have postponed the construction of a warehouse that is needed to house equipment, fiber, vehicles, and maintenance in a heated facility protected from the severe weather conditions on Adak Island. The companies also have postponed the purchase of the administrative building currently housing corporate operations, servers, broadband equipment, and all databases supporting accounting and customer service operations. AEE and WCC have projected that both projects would ultimately result in cost-cutting compared to the current monthly rents paid in lieu of completing these projects.

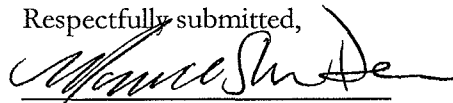
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AEE and WCC continue to stand ready to provide any additional information that Commission staff may request. AEE and WCC respectfully request interim relief in the form of a stay of the implementation of Section 54.302 and a continuation of the interim relief from Section 54.307(e) granted to WCC while the Bureaus continue their review process.

Respectfully submitted,



Monica S. Desai

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*Counsel to Adak Eagle Enterprises, LLC  
and Windy City Cellular, LLC*

cc:

Rebekah Goodheart

Joseph Cavender

Joseph Sorresso

Gary Seigel

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Margaret Wiener

Amy Bender

Carol Matthey

Katie King

Susan Miller

Soumitra Das

Gary Michaels

Mark Rossetti

Ruth Milkman

Julie Veach

# Attachment 1

Explanatory Note

This Attachment includes the following information:

- 1) Temporary and permanent expense account reductions made by Adak Eagle Enterprises due to USF funding cuts;
- 2) Temporary and permanent expense account reductions made by Windy City Cellular and Windy City Broadband due to USF funding cuts; and
- 3) Pending projects currently placed on hold by AEE as a result of USF funding cuts.

**REDACTED – FOR PUBLIC INSPECTION**

[[

**ENTIRE ATTACHMENT REDACTED FOR PUBLIC INSPECTION**

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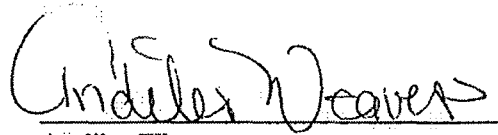
## Attachment 2

**DECLARATION OF ANDILEA WEAVER**  
**ADAK EAGLE ENTERPRISES, LLC AND WINDY CITY CELLULAR, LLC**

I, Andilea Weaver, declare the following is true and correct to the best of my knowledge and belief:

I am the Chief Operations Officer of Adak Eagle Enterprises, LLC and Windy City Cellular, LLC. I have reviewed the Ex Parte Notice and Submission of Supplemental Information and attached Exhibits and attest, under penalty of perjury, that the facts contained therein are known to me and are accurate.

Executed on this 20<sup>th</sup> day of November 2012.

A handwritten signature in black ink that reads "Andilea Weaver". The signature is written in a cursive style with a large initial "A" and a long, sweeping underline.

Andilea Weaver  
Chief Operations Officer  
Adak Eagle Enterprises, LLC and  
Windy City Cellular, LLC